

STATE OF ALASKA TIRE FEES QUARTERLY RETURN INSTRUCTIONS

Note: The \$2.50 tax on all new tire sales is effective at 12:01 a.m. on September 26, 2003. Please note that 5 days of sales are reportable for the quarter ending on September 30, 2003.

The \$5.00 tax on studs and stud installation services starts in the quarter beginning July 1, 2004.

General Instructions:

In the state of Alaska, a tire fee is imposed on the sale of all new tires (whether studded or not) for motor vehicles designed for use on a highway. New tires include unused tires customarily sold by tire dealers, as well as retreaded or remanufactured tires. Tires subject to the fee include automobile, truck, and trailer tires, including tires for rigs and devices intended to be hitched or trailed behind a motor vehicle designed for highway use. Off-road tires such as those used on lawn mowers, farm equipment, racing cars, and similar vehicles that are not designed by the manufacturer for highway use, are not subject to the fee.

Sales to a federal, state, or local government agency for official use are exempt. Sales for resale are also exempt. A certificate of use must be obtained for these sales. Other transfers that are not subject to the fee include the sale of used tires and certain replacements of defective tires.

The fee is due at the time of the sale or service. The **seller** is required to collect the fees at the time of the sale or service and the **seller** is also required to file a return and remit the fees collected to the Department of Revenue. The seller is liable for the fees if the seller fails to collect the fees. A seller is liable for the fees, as well as penalties and interest, in the same manner as if the fees were taxes under AS 43.

A return is required to be filed for each calendar quarter. **The return is due the 30th day of the month following the end of the calendar quarter:**

Tire Fee		
Quarter	Qtr Ending Date	Return Due Date
1	March 31	April 30
2	June 30	July 30
3	September 30	October 30
4	December 31	January 30

A person subject to the fee should refer to the statute, AS 43.98.025, for further guidance before filing the return.

Line by Line Instructions:

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- Check the box if the filing is to amend a prior return.
- Fill in the EIN or SSN, and Alaska business license number of the person filing the return (the seller).
- Fill in the calendar quarter ending date for which the return is being filed (see above).
- Fill in the name, mailing address, e-mail address, telephone number and fax numbers for the seller.
- Fill in the name of a contact person and the title of the contact person, as well as the telephone number for the individual. This individual is the person you authorize the department to contact as your representative if the department has a question regarding the return.

Lines 1 through 8. Fee Calculation

Line 1. Enter the total number of new tires sold in the state. Include in the total all new tires, whether studded or not.

Line 2. Enter the total number of new tires sold to exempt entities, including:

- government agencies for which you have a certificate of use on file for the sale;
- persons for resale for which you have a certificate of use on file for the sale;

Line 3. Enter the taxable number of new tires sold in the state. This number is Line 1 less Line 2.

Line 4. Fee rate for new tires (whether studded or not) is \$2.50 per tire.

Line 5. Enter the total fees on new tires. Multiply Line 3 by Line 4. Enter the result in Line 5.

Line 6. Enter 5% of the amount in Line 5. This amount cannot exceed \$900. Enter \$0 on this line if the return is not timely filed.

Line 7. Use Line 7 only if this is an amended return for a previous quarter. The box at the top of the form (indicating that this is an amended return) must be checked. Enter the amount from Line 8 of the ORIGINAL tire fee return for this quarter.

Line 8. Subtract Lines 6 and 7 from line 5. This is the amount due for tire fees for the quarter. If the amount due is \$100,000 or more, you must make a wire transfer of electronic funds transfer (EFT) in accordance with 15 AAC 05.310.

Sign and date the return. The return must be signed by a person authorized by law to act on behalf of the seller.